GOVERNMENT OF INDIA
TOURISM AND CULTURE
LOK SABHA

UNSTARRED QUESTION NO:2108
ANSWERED ON:29.07.2002
DECLINE IN PROFIT OF HOTEL INDUSTRY
SRINIVASULU KALAVA

Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether profits of the Indian Hotel Industry has slumped in the last year;

(b) if so, the details of such figures during the last three years pertaining to major hotels;

(c) whether the Government have gone into the reasons of this downward trend; and

(d) if so, the steps taken/ proposed to be taken to improve the situation?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a): Yes, Sir

(b) The net profit/loss of some of the leading hotel chains are given below: (Rs. In lakhs)

Name	1999-00	2000-01	2001-02
ITDC	-4535.79	-5330.49	-6491.27
EIH (Oberoi Group)	5951.00	8363.00	3026.00
Indian Hotels (Taj Group)	11664.00	11266.00	2614.00

(c): The Indian Tourism Industry in general and hotel industry in particular has been facing a downtrend due to the global economic slowdown as well as a consequence of the 11th September 2001 episode in the USA, the attack on our Parliament in December, 2001, the Gujarat incidents and the increase in tensions on the Indo-Pak border and the issue of advisories by our major markets like U.S.A; U.K.; France, Japan etc.

(d):Various financial and fiscal incentives such as tax exemptions, concessional customs duty on imports etc. are available to approved/classified projects and hotels. A Special Tourism Promotion Task Force (STPTF) has also been set up to look at possible steps that could counter adverse publicity.